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Law Office Management

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LAW OFFICE MANAGEMENT

By Jacob V. Shaetzel of the Denver Bar

IN writing this article for Dicta, I have in mind the smaller offices that are doing a general law office business, and not the large offices where experienced stenographers and office assistants are in charge. In those offices where the lawyer must make his records, keep his books, assist even at times with the stenographic work the matter of office management becomes a problem. Keen competition which we now find ourselves in, rising cost of labor, rent, supplies, etc., should make us ascertain if there are cheaper and better ways of doing things which will expedite the handling of the small and seemingly endless details of the law offices.

If the lawyer of today, big or little, is to make more than a bare living out of his profession, he must be able to handle his practice on nearly the same basis as the successful business man of today. Yet, it was only the other day that I heard a client remark that if he had to run his business as his lawyer runs his own, he would soon have no business to run. Whether or not he was justified in his remarks I will not judge. It is enough if the client has this in mind.

A small or medium practice must be handled with precision and speed, if it is to pay. No unnecessary delays must occur. If the case is a court case, it must be ready. Win or lose it must be disposed of. I believe that there are too many conferences, postponements, and meetings in the ordinary case. If a case is set for trial, and not tried, I doubt if the average lawyer collects one cent more for the wasted time. If a client has been asked to come in and the lawyer is not ready, more waste time, and thus we find at the end of the month, while we have been very busy, we have really been doubling back on cases.

An authority on law office management has estimated that the average lawyer has only one thousand hours of time a year for which a charge can be made. The rest of the time is devoted to drives, charity work, committees of public nature, etc. I have no doubt of the accuracy of this statement. I believe it is correct, and hence, it becomes a comparatively easy matter to figure the value of your time. If you are a

\$3,000.00 a year man you should be charging \$3.00 per hour, plus your overhead. If you want to earn \$5,000.00 a year then charge \$5.00 per hour, plus overhead, etc. But if you are going to reckon on this basis it will be necessary to keep a record of your time. This is not essential in all cases, but even where fixing a flat fee I believe it would help the client to understand better the basis of the fee if a record of things done, with dates, was handed to him with the bill. I keep a charge book in my office and it is the ordinary charge slip that is found in any dry goods store and can be purchased from any stationery firm. A record of the service rendered, day, and time, is kept and this is charged on a special white ledger sheet which fits in with the regular cash ledger. It seems to me that our time and ability are what we have to sell and if they are worth anything, it is worth recording. Once each month, or oftener, I go through my ledger and then make a charge for the services rendered, and in billing each month I give an itemized statement of the services rendered, with the dates, and extend the charge. The notation of time spent is not put on the monthly statement. If the service rendered is not sufficient to bill for that month I merely let it go and if within a six month period or a year the service amounts to \$5.00 or more a bill is sent. It has surprised me to ascertain the amount of services, advice, etc. that has been previously given without thought of charge. It has more than paid to carry this out and the client is better satisfied and he too, at times has expressed the thought that little did he understand before what a lawyer had to do to earn his fee.

The telephone is playing a more important part in a lawyer's life than most of us realize. I really believe that nearly three fourths of our business is being done over the phone. The client does not desire to take the time to come to the office, or he feels that the lawyer may not be there if he does come, or he has gotten so used to conducting his business over the phone that it has become second nature to him. In any event until I began recording the messages on my daily charge slips I did not know why the rent was hard to meet and why my bills were not being paid. It was because my time was going for advice on the phone and with a usual "forget it" when the inquirer asked that a bill be sent. Now, I won't send a bill

or make a charge for one call, but when those calls persist, and persist as they do, then indeed I believe I am justified in making a charge. Telephone consultations are what I call them, and it is not uncommon to carry one on for twenty minutes at a time. In fact I believe that the telephone companies have long recognized this fact and are ahead of us.

Statements sent twice each month help to keep the accounts collected. To send a statement promptly on the 1st or 2nd and then again on the 20th has more than repaid for the extra work involved. Clients are used to paying on receipt of statements and they respond more quickly. Then again I believe that statements sent more frequently, instead of waiting the completion of a case that will take months, perhaps, have made for more satisfied clients.

Clients desire the lawyer to do business the way a business man does it, and the lawyers who are doing it that way are generally forging ahead, although the best are having hard times making both ends meet.

Sixteen years ago there were about four hundred and fifty lawyers in Denver. Now it is nearer eleven hundred, and our population has not doubled. Let us stop a few moments and take stock. Let us find if there are ways of doing business quicker and better.